THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Yes, Sir.

(b) As a part of the process of disinvestment, the transaction in VSNL incorporates a suitable clause for demerger of surplus land available with the company into a new company. The decision to separate surplus land from VSNL through demerger process was taken in order to protect the interests of various stakeholders, as the company did not require the identified surplus land due to factors like change in technology etc. The bid price was on the basis of the shareholder/share purchase agreement incorporating the demerger provisions.

(c) Every shareholder of VSNL will get proportionate shareholding in the new demerged company.

(d) The bid price of Rs. 202 per share was at a premium of about 18 per cent over the reserve price and about 40 per cent over the average market price as at the time of sale. Therefore, the question of selling VSNL shares at cheap price does not arise.

(e) The future earning potential of VSNL would depend upon several parameters like end of its monopoly over international telephony, the entry of other providers—like the laying of the Bharti-Singtel Undersea Cable and other market forces, inherent strength of the company, changes in technology etc.

Strategic sale of BSNL

2218. SHRI NILOTPAL BASU: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have decided to go for strategic sale of BSNL;

(b) if so, the details thereof;

(c) whether the privatisation of VSNL and the fact that VSNL itself is having a licence as a NLD operator has put the future revenue earning potential of BSNL from incoming international long distance telephone traffic into jeopardy and thereby will depress the valuation of BSNL;

(d) if so, whether Government will recommend that BSNL be awarded ILD licence forthwith; and

(e) if so, by when and if not, the reasons therefor? .

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) Disinvestment in Public Sector Undertaking is a continuous process. As a part of the process, Government keeps considering proposals for disinvestment in various public sector enterprises from time to time. The proposals are considered through Inter-Ministerial consultations and final decisions are taken. No decision has been taken in respect of strategic sale in BSNL.

(c) The privatisation of VSNL has been done in pursuance of the Government policy. In this regard, VSNL was granted NLD license in lieu of preponement of its demonopolisation by two years. Both the NLD and ILD services have been opened up to bring in competition for better services and benefit to customers. So far, three companies apart from VSNL have been given ILD licenses and three companies apart from BSNL have the license for NLD services. Valuation of BSNL would depend on several factors and, therefore, it is not feasible to assess the impact of any single factor in isolation.

(d) and (e) The application of BSNL for ILD licence, if received, shall be considered by the Government in accordance with its licensing policy.

Disinvestment in oil companies

2219. SHRI CHO S. RAMASWAMY:

SHRI NANA DESHMUKH:

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that Government are planning to disinvest the oil companies;

(b) the names of companies and Government's plan in regard thereto and by when it is likely to be taken up;